

CHINA'S ACTIVITIES IN SOUTHEAST ASIA AND THE IMPLICATIONS FOR U.S. INTERESTS

HEARING

BEFORE THE

**U.S.-CHINA ECONOMIC AND SECURITY
REVIEW COMMISSION**

**ONE HUNDRED ELEVENTH CONGRESS
SECOND SESSION**

February 4, 2010

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WASHINGTON: March 2010

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March 25, 2010

The Honorable ROBERT C. BYRD
President Pro Tempore of the Senate, Washington, D.C. 20510
The Honorable NANCY PELOSI
Speaker of the House of Representatives, Washington, D.C. 20515

DEAR SENATOR BYRD AND SPEAKER PELOSI:

We are pleased to transmit the record of our February 4th, 2010 public hearing on “*China’s Activities in Southeast Asia and the Implications for U.S. Interests.*” The Floyd D. Spence National Defense Authorization Act (amended by Pub. L. No. 109-108, section 635(a)) provides the basis for this hearing.

The Commission received opening testimony from Congresswoman **Madeleine Z. Bordallo (D-Guam)**, Congressman **Eni F. H. Faleomavaega (D-A. Samoa)**, Congressman **J. Randy Forbes (R-VA)**, and Congressman **Dana Rohrabacher (R-CA)**. Each Member of Congress provided important perspectives on how the United States should react to China’s growing involvement in the region and across Asia.

Representatives from the Executive Branch provided the Commission with the Obama Administration’s perspective. Deputy Assistant Secretary of Defense for South and Southeast Asia **Robert Scher** testified that Beijing is pursuing a network of multilateral and bilateral relations with Southeast Asian nations in order to increase China’s influence in the region. Beijing hopes that its efforts will ensure the stability of its borders, develop a market for exporting Chinese goods, and allow China to obtain access to essential raw materials. Deputy Assistant Secretary of State for East Asian and Pacific Affairs **David B. Shear** noted that maintaining a strong U.S. presence in the region “will guarantee freedom of action for our allies and friends, deter potentially aggressive behaviors, and safeguard our strategic interests in the Western Pacific and Indian Oceans.”

Expert witnesses described to the Commission the political and economic aspects of China’s rise in the region. **Ernest Z. Bower**, Senior Advisor at the Center for Strategic and International Studies, testified that China wishes to become Southeast Asia’s dominant economic partner, possibly accomplishing this goal “within the next few years.” According to **Walter Lohman**, Director of the Asian Studies Center at the Heritage Foundation, the United States will be left behind unless it develops a coherent trade policy to counter China’s enhanced political and economic engagement with the region. **Catharin E. Dalpino**, Associate Professor at Georgetown University, stated that China’s economic and political clout is especially salient in the countries that comprise mainland Southeast Asia¹, which is “China’s historic backyard.” She asserted that increased U.S. engagement with these nations might counter China’s growing influence.

¹ Mainland Southeast Asia consists of Burma (Myanmar), Cambodia, Laos, Thailand, and Vietnam.

While Southeast Asian countries increasingly engage China on the political and economic fronts, they have been more reluctant to cooperate on traditional and nontraditional security issues. **Bronson Percival**, Senior Advisor at CNA, argued that China's security relationships with the region are minimal and mostly limited to the countries in mainland Southeast Asia. Historical distrust of Beijing, maritime territorial disputes with China, and long-standing military partnerships with the United States prevent Southeast Asian nations from more actively engaging in genuine security relationships with China. **Andrew Scobell**, Associate Professor at Texas A&M University, noted that China's increasingly aggressive actions to uphold its disputed maritime claims in the South China Sea are of particular concern to some South East Asian nations, and are even beginning to impact the United States—as demonstrated by the Chinese harassment of the U.S. naval vessel, *USNS Impeccable*, in March 2009. According to **Richard P. Cronin**, Senior Associate at the Henry L. Stimson Center, the Mekong River could also be a source for potential conflict between South East Asian nations and China. China is constructing massive dams along the river, regardless of the “almost incalculable impact” that damming this river would have on those nations downstream that depend on the river for their economy and food security.

Witnesses disagreed on the effect of China's involvement in regional forums, such as the Association of Southeast Asian Nations (ASEAN) and the East Asia Summit group. **Ellen L. Frost**, Visiting Fellow at the Peterson Institute for International Economics, noted that China's involvement in these regional organizations will not replace U.S. influence in Southeast Asia. Instead, it may drive Southeast Asian nations to further value U.S. economic and military presence in the region in order to balance China. However, **Donald E. Weatherbee**, Professor Emeritus at the University of South Carolina, argued that China's use of regional forums as a stage for increasing economic and political engagement with Southeast Asia may provide China with more influence in the region.


Thank you for your consideration of this summary of the Commission's hearing. The transcript, witness statements, and supporting documents for this hearing can be found on the Commission's website at www.uscc.gov.

Members of the Commission are available to provide more detailed briefings. We hope these materials will be helpful to the Congress as it continues its assessment of U.S.-China relations and their impact on U.S. security. The Commission will examine in greater depth these issues, and the other issues enumerated in its statutory mandate, in its 2010 Annual Report to Congress that will be submitted in November 2010. Your staff may contact Jonathan Weston, the Commission's Congressional Liaison, at (202) 624-1487, to set up briefings or answer any questions.

Sincerely yours,



Daniel M. Slane
Chairman



Carolyn Bartholomew
Vice Chairman

cc: Members of Congress and Congressional Staff

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